Net National Project Growth

638. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) what according to the nalysis, if any, made by government is the anticipated net national project growth (NNP) in the current financial year as against the projection and as compared to the growth in 1996-97;

(b) the major economic sectors in the country which have shown sluggish performance stating their performance as against the projections; and

(c) the reasons identified for the slow economic growth and its overall impact on the Indian economy?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per the advance estimates of National Income, 1997-98, released by the Central Statistical Organisation (CSO), the Net National Product (NNP) (at 1980-81 prices) at factor cost is estimated to register a growth rate of 4.9% in 1997-98 compared to a growth rate of 7.7% in 1996-97 (Quick Estimates).

(b) The major economic sectors showing sluggish performance includes agriculture, industry (including infrastructure) and exports. As per advance estimates, value added in agriculture and allied sectors declined by 2 per cent in 1997-98 as against an increase by 7.9 per cent in 1996-97. As per the Index of the Industrial Production (IIP), industrial growth decelerated from 7.1 per cent in 1996-97 to 4.2 per cent in 1997-98. Based on DGCI&S data, export growth in US dollar decelerated from 5.3 per cent in 1996-97 to 2.6 per cent in 1997-98.

(c) The slow economic growth in 1997-98 is the result of constraints on supply and demand factors. Supply side factors are associated primarily with the quantity, quality and cost of basic infrastructure sectors. The demand slow-down is attributable to several factors including sharp deceleration in exports, substantial uncertainty in domestic and international environment, tightening of money-credit policies to some extent and other cyclical factors.

Loans by Banks to Dental/Medical Students

639. SHRI PARAG CHALIHA:
SHRI GOVINDRAM MIRI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India had in 1995 directed the nationalised/scheduled banks of give loans to dental and medical students of private medical and dental colleges of the country;

(b) if so, the details of such loans given during 1995-96, 1996-97 and 1997-98 especially in private colleges of Maharashtra and Karnataka; and

(c) whether the provision has since been withdrawn?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Based on the directive of the Hon'ble Supreme Court forming part of the orders dated 11th August 1995, Reserve Bank of India (RBI) conveyed the details of the educational loan scheme formulated by the Court to all public sector banks and advised them to provide loans to students admitted in medical/dental colleges in private professional colleges during the academic year 1995-96.

(b) As per information received from RBI, two statements showing details of educational loans granted by public sector banks under the said scheme during the years 1995-96, 1996-97 and 1997-98 (Upto 30th Septmeber 1997) in the entire country and the State of Maharashtra and Karnataka are at Annexure [See Appendix] 184, *Annexure No. 20*]

(c) The aforesaid scheme is still continuing.